



**Livestock and Seed Program
Audit, Review, and Compliance Branch
Quality System Audit Report**

AUDIT INFORMATION

Applicant Name:	Naturland e.V.
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Auditor(s):	Martin Friesenhahn
Program:	USDA National Organic Program (NOP)
Audit Date(s):	August 1-2, and 11, 2005
Audit Identifier:	NP5045BBA
Action Required:	No
Audit Type:	Corrective Action Audit
Audit Objective:	To verify that corrective actions adequately address the non-compliances identified during the 2003 and 2004 NOP Annual Update Audits.
Audit Criteria:	<ul style="list-style-type: none">• <i>USDA, AMS, 7 CFR Part 205, National Organic Program; Final Rule</i>, dated December 21, 2000, Amended November 2003.• Naturland's procedures, instructions and applicable documents pertaining to NOP Certification.
Audit Scope:	The submitted corrective actions.
Location(s) Audited:	Desk

The corrective actions were submitted by Naturland on June 16, 2005 and included:

- Revised Standard Procedure for Certification According to the NOP Rule.
- Resumes for two inspectors
- A list of subcontracted certification bodies and inspectors with information indicating sufficient experience, training, and education.
- Completed conflict of interest statements.
- Information that was missing from the files that were submitted for the 2004 Annual Update.
- Performance Evaluations for staff members.
- Management reviews addressing program issues for 2003 and 2004.



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FINDINGS

The submitted corrective actions have adequately addressed and cleared the seven previous non-compliances.

NP4153BA.NC1- Major – Cleared - 205.504(a)(2) - Evidence of expertise and ability – Requires the name and position description of all personnel to be used in the certification operation, including.... certification inspectors.... Naturland's Subcontracting Inspection Procedures states, "Inspection bodies which carry out inspection on behalf of Naturland according to the NOP Program have to be themselves accredited certifying agents under the NOP". *Naturland subcontracted ECOA as the certifying agent to conduct inspections for Naturland. An Inspection Contract was completed between Naturland and ECOA for 2003 NOP inspections. However, ECOA has not been accredited by the NOP as a certifying agent as stated in the Naturland Subcontracting Inspection Procedures.* **Corrective Action:** The Naturland Standard Procedure for Certification According to the NOP Rule was revised (Version 1 02/03) and the section under Preparation for Inspection states, "Naturland preferably mandates inspection bodies to conduct inspections of Naturland operators under the NOP regulations that have been accredited certifying agents under NOP." This was further clarified to mean that the first choice is to use an NOP accredited inspection body unless in a respective country there is no suitable NOP accredited inspection body available in which inspection bodies not accredited to the NOP could be used. It was further stated that all inspection bodies used for NOP inspections would include the applicable inspection contracts.

NP4153BA.NC2 – Major – Cleared - 205.504(a)(3)(i)/205.501(a)(4)(5) – A description of the qualifications, including experience, training, and education in agriculture, organic production, and organic handling, for each inspector to be used by the applicant. *This information was not provided on the subcontracted inspectors from ECOA.* **Corrective Action:** The resumes were provided on the two ECOA subcontracted inspectors with sufficient experience.

NP5045BBA.NC1 – Major – Cleared - Clause 205.510(a)(1) requires "A complete and accurate update of information submitted pursuant to §§ 205.503 and 205.504", and 205.510(a)(4) requires "The results of the most recent performance evaluations...".

- a) 205.504(a)(2) – List of subcontracted certification bodies and inspectors not submitted (for completing the inspections) and (a)(3) – description of the qualifications including experience, training, and education in agriculture, organic production, and organic handling was not submitted for the subcontracted inspectors. **Corrective Action:** The list of subcontracted certification bodies and inspectors was provided with information indicating sufficient experience, training, and education.

b) 205.504(c)(2) – Conflict of Interest Disclosure Reports not submitted for Inspectors. **Corrective Action:** Two conflict of interest declarations were submitted for ECOA Inspectors and seven for Bio Hellas Inspectors which were included in the Inspection Contracts.

- c) 205.504(d)(2) – The two certification files submitted were incomplete.
Egyptian Experts Co.
 - o Naturland subcontracted the Egyptian Center for Organic Agriculture (ECO) as the certifying agent to conduct inspections for Naturland. However, ECOA has not been accredited by the



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NOP as a certifying agent as stated in the Naturland Subcontracting Inspection Procedures (see outstanding non-compliance NP4153BA.NC1).

- o File submitted was missing the inspection report for crops.
- o File submitted did not have information as to which Certification Committee members reviewed the file to determine certification.
- o The letter submitted to Egyptian Experts Co. (12/23/04) by Naturland stated that the "...Certification Committee reviewed the 2003 inspection documents submitted by IMO..." Based on that statement it was unclear if the Certification Committee used the inspection report completed by the ECOA Inspector on October 24, 2003.

Corrective Action: The Naturland Standard Procedure for Certification According to the NOP Rule was revised (Version 1 02/03) and the section under Preparation for Inspection states, "Naturland preferably mandates inspection bodies to conduct inspections of Naturland operators under the NOP regulations that have been accredited certifying agents under NOP." This was further clarified to mean that the first choice is to use an NOP accredited inspection body unless in a respective country there is no suitable NOP accredited inspection body available in which inspection bodies not accredited to the NOP could be used. It was further stated that all inspection bodies used for NOP inspections would include the applicable inspection contracts. The inspection reports were submitted for the 11 crop inspections. Information was submitted showing the certification committee members and the procedures used for certification. Clarification was also provided that the inspection reports used for the certification decision were indeed from ECOA and that the letter incorrectly stated IMO Inspection reports.

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- o The file submitted did not have information as to which Certification Committee members reviewed the file to determine certification.
- o The inspection report listed Inspector Charalampos Favvas with an inspection date of 06/08/2004. The inspection report or the documents did not list which certification body contracted this inspection for Naturland.

Corrective Action: The Bio Hellas Inspection Contract listed Inspector Charalampos Favvas and information was submitted showing the certification committee members and the procedures used for certification.

- d) 205.510(a)(4) – The most recent performance evaluations were not submitted.

Corrective Action: Performance evaluations were submitted for 13 staff members (February and March 2005) and the subcontractor inspector evaluations were documented in the Inspection Contracts.

NP4153BA.NC3 - Minor – Cleared - 205.504(c)(2) - Evidence of expertise and ability- Conflicts of interests – conflict of interest disclosure reports - For all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions.....a conflict of interest disclosure report..... *The annual conflict of interest disclosure reports were not submitted for file reviewers, decision makers, and responsibly connected parties (Certification Committee, Board, and applicable staff).* **Corrective Action:** Conflict of Interest Declarations were submitted for 17 staff members (submitted for 2004 update).



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NP4153BA.NC4 - Minor – Cleared - 205.510(a)(4)/205.501(a)(6) - Annual report, recordkeeping, and renewal of accreditation - The results of the most recent performance evaluations..... *Performance evaluations were not submitted for persons who review applications, certification documents, make certification decisions, and evaluate qualifications for certification. In addition, performance evaluations were not included for the subcontractor inspectors.* **Corrective Action:** Performance evaluations were submitted for 13 staff members (February and March 2005) and the subcontractor inspector evaluations were documented in the Inspection Contracts.

NP4153BA.NC5 – Minor – Cleared - 205.510(a)(4)/205.501(a)(7) - Annual report, recordkeeping, and renewal of accreditation – The results of the most recent annual program review and a description of adjustments to the certifying agent’s operation and procedures implemented in response to *An internal audit was submitted but did not include the required information for the annual program review as required by the NOP.* **Corrective Action:** The management reviews were submitted addressing program issues for 2004 (completed 2/05) and 2003 (completed 12/03 – submitted with 2004 update).

NP5045BBA.NC2 – Minor – Cleared - Granting certification – 205.404 requires the certifying agent to issue a certificate of organic operation which specifies (b)(1) The effective date of certification and (c) ...to continue in effect until surrendered..... *The certificates issued by Naturland did not list the effective date first certified to the NOP and the one of the certificates listed “Certificate of registration 2003/2004” and the other listed “Certificate of Registration 2004/2005” which implied an expiration of certification.* **Corrective Action:** The submitted corrective action stated that the dates under the certificate of registration do not imply any expiration of certification but show the period in which the certificate was issued. It was also stated that the certificates will include the effective date of first NOP certification and the sentence under validity states that the first certification continues until surrendered...